

# The State of Delaware

Centers of Excellence Administration for the GHIP

SEBC Feedback on RFP Key Decision Points

September 24, 2018

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# SEBC feedback

## Overview

- Remaining questions or concerns about the Proposal Review Committee (PRC) recommendations surrounding centers of excellence (COEs) were solicited from the SEBC in advance of today's meeting
- If possible, intent is for SEBC to vote on PRC recommendations at the October 22 meeting
  - Any delays in the SEBC voting on PRC recommendations following the October 22 meeting may push back the effective date of any recommendations that are adopted

# SEBC feedback

## Member utilization of carve-out COE network

SEBC member feedback	WTW Comments
<p>May be supportive of offering carve-out COE network as the only option for members if carve-out network is well-managed.</p> <p>If the program has not yet proven itself, or has a potentially inferior network of providers, then it is crucial to maintain the third party administrator COE network.</p> <p>It is reasonable to encourage employees to consult with the carve-out COE vendor.</p> <p>Also supports strong use of incentives or disincentives to maximize use of COEs, but only if COEs are of high quality and well respected</p> <p>Supportive of having benefit be consistent across GHIP members, not tied to open enrollment</p>	<ul style="list-style-type: none"><li>▪ PRC recommendation indicates carve-out COE network would be offered alongside existing medical TPA networks initially, with ongoing requirement to monitor performance and periodically reevaluate offering</li><li>▪ PRC also recommends further consideration of incentives to encourage members to utilize the carve-out COE network, including sharing savings with members (if allowable from a legal/compliance perspective)</li><li>▪ Carve-out COE vendor would be required to provide members with quality data about specific network providers to facilitate informed member decision-making in the provider selection process</li></ul>

# SEBC feedback

## Partnership with medical carriers and providers

SEBC member feedback	WTW Comments
<p>Concern about partnership between carve-out COE vendor, medical third party vendors and local providers</p>	<ul style="list-style-type: none"><li>▪ Reference checks conducted through the RFP process confirmed that traditional medical carriers (i.e., Aetna, Blue Cross) will partner with carve-out COE vendors on behalf of the plan sponsor<ul style="list-style-type: none"><li>▪ Examples: referrals, data file feeds to integrate deductible and medical out-of-pocket maximum accumulators</li><li>▪ While carve-out COE vendors replicate many of the third-party administrative functions that traditional medical carriers provide, this occurs only for a narrow subset of services, therefore a carve-out COE program would never fully replace coverage through a traditional medical carrier</li></ul></li><li>▪ Similarly, the volume of services driven by a particular plan sponsor, even one as large as the State, would likely not be great enough to cause significant disruption for any one provider should those services be moved elsewhere<ul style="list-style-type: none"><li>▪ Still, high quality providers would be incentivized to partner with this type of program based on opportunity for increased volume of services redirected from other providers less willing to offer competitive pricing</li></ul></li></ul>

# SEBC feedback

## SurgeryPlus provider network

SEBC member feedback	WTW Comments
<p>Concern that the SurgeryPlus model focuses on providers and not facilities</p>	<ul style="list-style-type: none"><li>▪ SurgeryPlus network includes facilities and surgeons, but focuses primarily on surgeons<ul style="list-style-type: none"><li>▪ <i>Vendor philosophy:</i> Quality of the individual surgeon is far better predictor of post-surgical outcomes than quality of the facility in which the surgery is performed</li></ul></li><li>▪ Likely that a number of SurgeryPlus's network surgeons have admitting privileges to facilities with a reputation for being of high quality</li><li>▪ However, SurgeryPlus network surgeons typically own or have access to an ambulatory surgery center where they can also conduct surgeries with lower overhead cost, therefore more economically feasible for surgeon to accept lower rate for higher volume of procedures</li></ul>

## SEBC feedback

### Other comments

#### **From one SEBC member:**

*I have reviewed the documents and spoke to [PRC designee] (who attended the subcommittee meeting). We concur with the PRC recommendations.*

#### **From one SEBC member:**

*... [M]y concern with design centers around awareness, engagement and use of the carve-out COE vendor by our participants. I would ideally like a system as we had envisioned: mandatory consult, but not mandatory use.*

#### **From one SEBC member:**

*We should not delay the vote, but if so, we should push an ongoing added benefit that is not tied to open enrollment.*